

# National Accounts Estimates (2004 – 2007)

## March 2007 issue

### 1. MAIN AGGREGATES

	2006 <sup>1</sup>	2007 <sup>2</sup>
GDP at basic prices (R billion)	181.5	199.6
GDP growth rate (%)	+5.0	+5.0
Investment growth rate (%)	18.2	+0.3
<i>Exclusive of aircraft and marine vessel</i>	+4.6	+6.9
Investment as a % of GDP	24.0	23.4
<i>Exclusive of aircraft and marine vessel</i>	21.2	22.1
Public sector investment as a % of total investment	32.3	27.7
<i>Exclusive of aircraft and marine vessel</i>	23.8	23.5
Growth rate of final consumption expenditure (%)	+5.5	+4.7
Gross National Saving as a % of GNDI	16.0	15.7
Gross National Saving as a % of GDP at market prices	16.2	16.0
Net exports of goods and services as a % of GDP	-11.4	-9.5

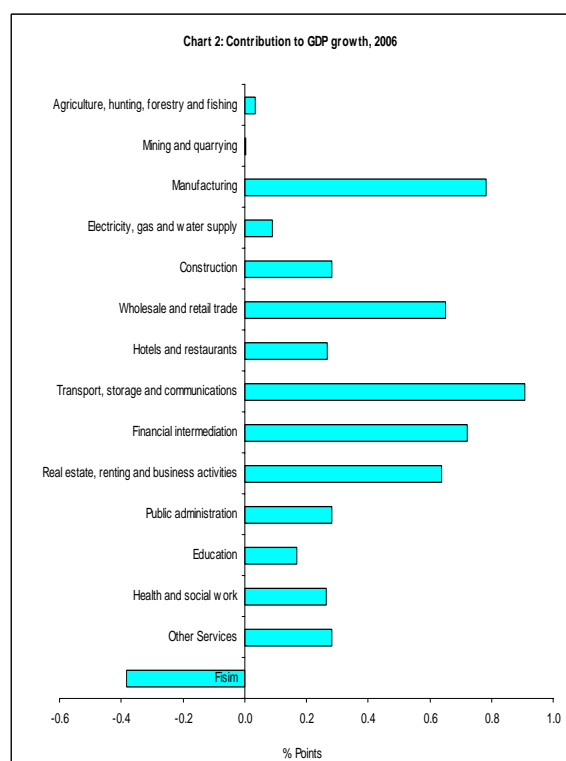
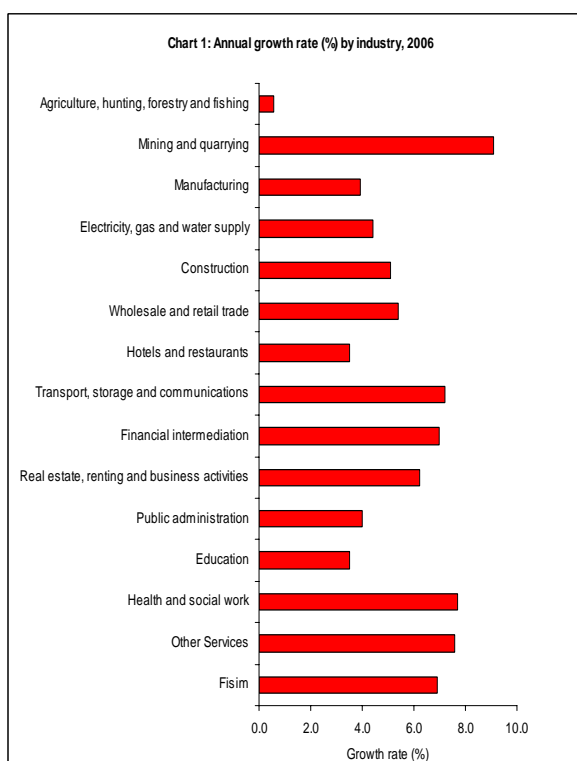
<sup>1</sup> Revised    <sup>2</sup> Forecast

### 2. HIGHLIGHTS

#### 2.1 Gross Domestic Product

##### (i) Year 2006

- In 2006, Gross Domestic Product (GDP) at basic prices was R 181,505 million in 2006 compared to R 162,027 million in 2005.
- GDP growth rate worked out to 5.0% compared to 2.2% in 2005. Exclusive of sugar, the rate was 5.3% against 2.8% in 2005.
- The economy was driven by the tertiary sector comprising services industries, led by activities in “Transport, storage and communications”, “Financial intermediation”, “Wholesale and retail trade” and “Business services”. In fact, the contribution of the tertiary sector to the 5.0% growth of GDP is estimated at around 4.2 percentage points in 2006 (See Section 5.4 for definitions).



## (ii) Year 2007

- On the basis of information gathered on key sectors of the economy and on recent past trends, **the economy is forecasted to grow by around 5.0% in 2007 same as in 2006**. Exclusive of sugar, the growth rate would be around 5.2%.

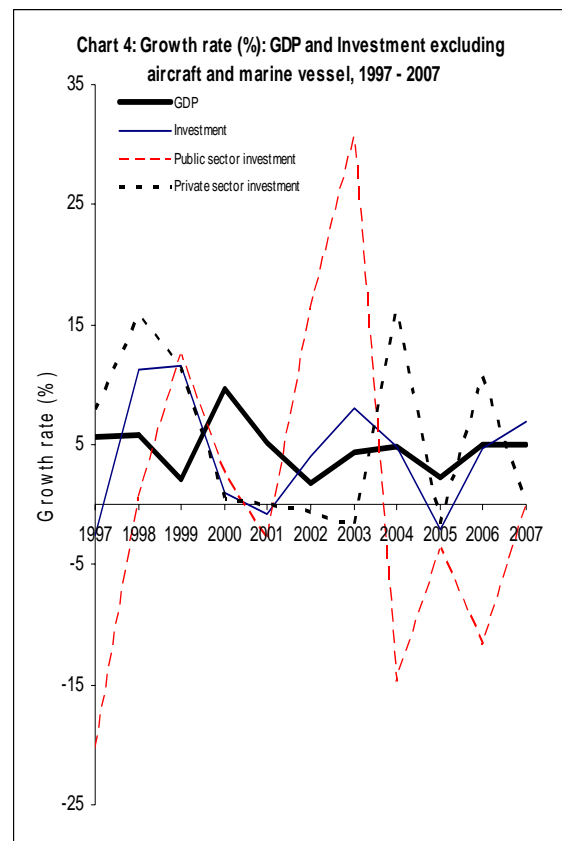
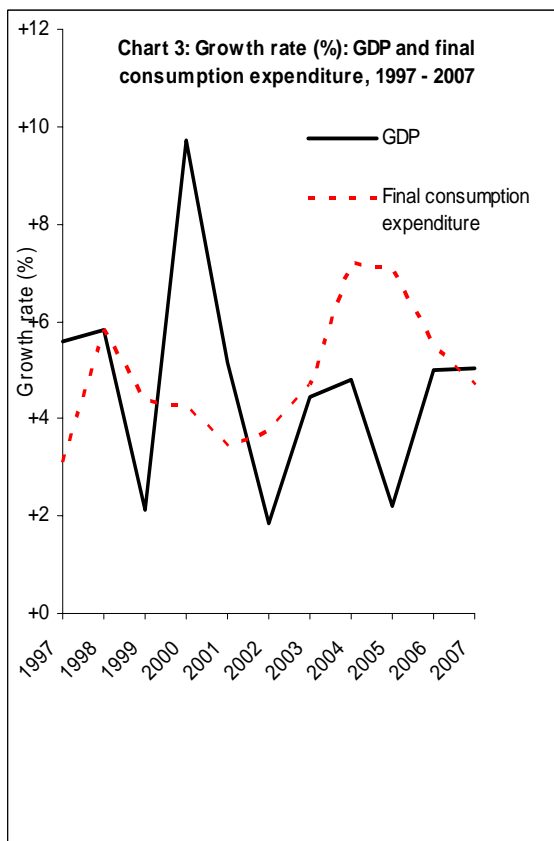
## 2.2 Performance of the main industry groups, 2006

The performances of the main industry groups in 2006 were as follows:

- Sugarcane/sugar milling** **A contraction of 2.9%**, based on a sugar production of 504,857 tonnes compared to 519,816 tonnes in 2005.
- EPZ manufacturing** **A growth of 4.6%** based on an estimated output of around R 37,500 million after declines in four consecutive years (2002: -6.0%, 2003: -6.0%, 2004: -6.8% and 2005: -12.3%).
- Non-EPZ manufacturing** **A growth of 4.1%** after stagnation in 2005.
- Hotels and restaurants** **A growth of 3.5%** based on 788,276 tourist arrivals for the year.
- Construction** **A rebound of 5.1%** after a contraction of 5.2% in 2005, following construction of new hotels and implementation of projects under the Integrated Resort Scheme (IRS).
- Wholesale and retail trade** Distribution activities **grew by a lower rate of 5.4%** compared to 5.6% in 2005.
- Financial intermediation** **A growth of 7.0%** as a result of growths of 5.0%, 7.1% and 11.0% in insurance, banks and other financial intermediation activities respectively.

## 2.3 Final consumption expenditure, 2006

- Final consumption expenditure **continued to grow but at a lower rate**. The growth in 2006 was 5.5% against 7.1% in 2005. It is to be noted that final consumption expenditure has been growing at a higher rate than GDP since 2002.

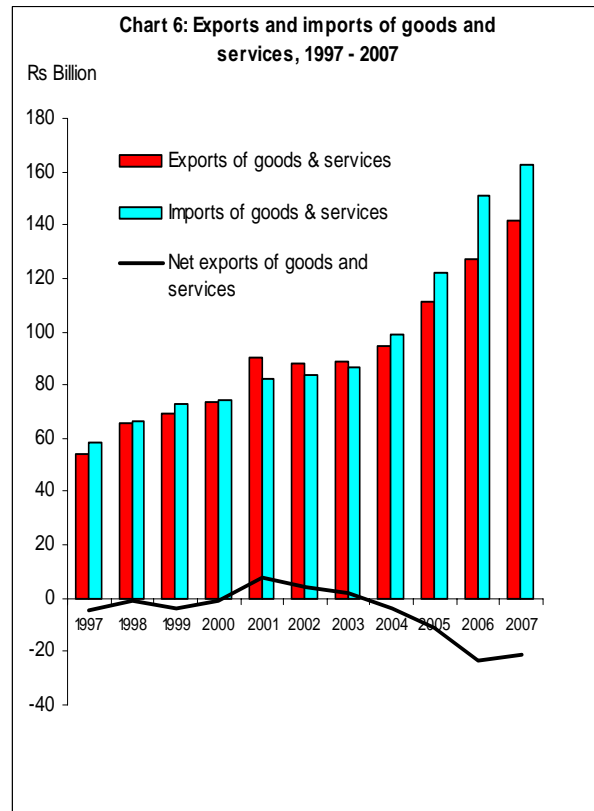
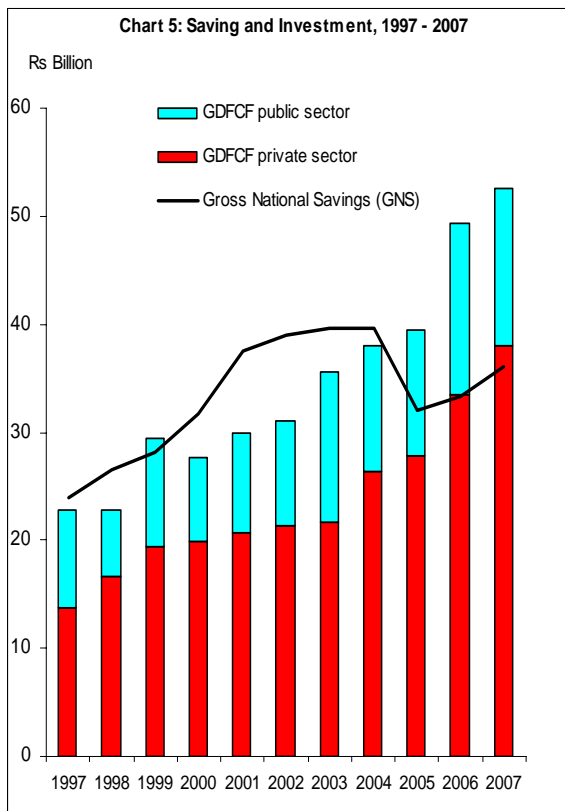


## 2.4 Saving, 2006

- **Gross National Saving as a % of GNDI declined further to 16.0% in 2006** from 17.2% in 2005 and 22.5% in 2004. **Saving Rate defined as the ratio of GNS to GDP at market prices fell to 16.2% from 17.3%.**

## 2.5 Investment, 2006

- **Investment recovered by 18.2% in 2006 after a contraction of 2.4% in 2005**, mostly explained by the acquisition of new aircraft. **Exclusive of aircraft, investment grew by 4.6% compared to -2.1% in 2005.**
- **Investment rate, defined as the ratio of investment to GDP at market prices, increased to 24.0% from 21.3% in 2005.** However, exclusive of aircraft, the rate worked out to 21.2% compared to 21.3% in 2005.
- **Private sector investment grew by 13.6%** after a decline of 1.0% in 2005, mostly explained by high investment in hotels and IRS projects.
- **Public sector investment grew by 29.1%** compared to a decline of 5.4% in 2005, mostly due to high investment in aircraft. **Exclusive of aircraft, the real growth of public sector investment worked out to -16.8%** compared to -3.6% in 2005.
- **The share of private sector investment declined to 67.7% in 2006 from 70.3% in 2005** while that of the public sector increased to 32.3% from 29.7%. **Exclusive of aircraft, the share of private sector investment in 2006 worked out to 76.2% and that of the public sector to 23.8% compared to 70.2% and 29.8% respectively in 2005.**



## 2.6 Net exports of goods and services, 2006

- **Imports of goods and services grew by 9.6% in real terms in 2006** compared to 6.4% in 2005 while **exports of goods and services grew by 8.5%** compared to 10.6% in 2005.
- **Net exports of goods and services resulted in a deficit representing 11.4% of GDP at market prices in 2006 compared to -2.4% and -6.0% in 2004 and 2005 respectively.** **Exclusive of aircraft in 2006, the percentage worked out to 8.7%.**

### 3. REVISIONS IN THIS ISSUE

#### 3.1 Year 2006

Latest information gathered on the various sectors of the economy indicates that GDP growth rate for 2006 was 5.0%, higher than the estimate of 4.7% made in December 2006. Exclusive of sugar, the growth rate worked out to 5.3% compared to the previous figure of 5.1%.

At industry group level, the main changes compared to the estimate made in December 2006 are:

- (i) "EPZ manufacturing industries" grew at a higher rate of 4.6%, instead of 3.0%. Based on export data for the year, the output of the sector is now revised upwards to R 37,500 million, compared to the earlier forecast of R 36,000 million.
- (ii) "Non-EPZ manufacturing industries (excluding sugar)" grew at a higher rate of 4.1%, instead of 3.0%.
- (iii) "Hotels and restaurants" grew at a lower rate of 3.5%, instead of 3.7%. Tourist arrivals in 2006 were 788,276, slightly lower than the estimate of 790,000 made earlier.

#### 3.2 Year 2007

On the basis of information gathered on key sectors and recent past trends, the economy is now forecasted to grow by around 5.0%, lower than the forecast of 5.5% made in December 2006. The main reason is a downward revision of sugar production from 550,000 tonnes to 500,000 tonnes following the passage of cyclone Gamede in February 2007. Exclusive of sugar, the growth rate worked out to 5.2% compared to the previous figure of 5.3%.

At industry group level, the main changes compared to the forecast made in December 2006 are:

- (i) "Sugarcane" and "Sugar milling" are expected to decline by around 1.0%, instead of a growth of 10.0%;
- (ii) the construction sector is expected to grow at a higher rate of 7.5%, instead of 6.0%.
- (iii) "Transport, storage and communications" is expected to grow at a higher rate of 7.8%, instead of 7.5%.
- (iv) "Real estate, renting and business activities" is expected to grow at a lower rate of 6.2%, instead of 6.4%.
- (v) "Public administration and defence; compulsory social security" is expected to grow at a lower rate of 3.2%, instead of 4.0%.

### 4. DETAILED ANALYSIS AND COMMENTS

#### 4.1 Year 2006

##### 4.1.1 Gross Domestic Product (GDP)

In 2006, GDP at basic prices increased by 12.0% in nominal terms to reach R 181,505 million from R 162,027 million in 2005. After removing the price effect of 6.7% (the GDP deflator), the economy grew by 5.0%, higher than the 2.2% recorded in 2005. Exclusive of sugar, the rate works out to 5.3% compared to 2.8% in 2005 (Tables 3 and 6).

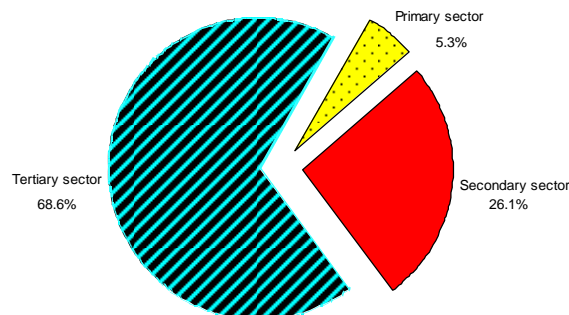
GDP at market prices, which includes R 24,319 million as taxes (net of subsidies) on products, increased by 11.1% to R 205,824 million from R 185,204 in 2005. Per capita GDP at current market prices increased by 10.3% to R 164,266 from R 148,933 in 2005 (Table 1).

##### 4.1.2 Growth rate by industry

In 2006, more than two thirds (68.6%) of GDP was generated by the tertiary sector comprising the services industries compared to slightly over a quarter (26.1%) by the secondary sector. The remainder, or 5.3%, was attributable to the primary sector which consists mainly of agricultural activities.

In 2006, GDP growth was positively influenced by the secondary and tertiary sectors which contributed 1.2 and 4.2 percentage points to the overall GDP growth. On the other hand, the contribution of the primary sector was marginal (Table 7).

Chart 7: Share of the primary, secondary and tertiary sectors in the economy, 2006



##### **Primary sector**

Activities in the primary sector which are mainly related to "Agriculture" grew by 0.6% in 2006 after a contraction of 5.4% in 2005. Within the sector,

- "Agriculture" grew by 0.6%, as a result of a growth of 4.5% in "Other agricultural activities" including activities related to hunting, forestry and fishing, partly offset by a decline in sugarcane (-2.9%).
- Mining and quarrying grew significantly by 9.1%.

## Secondary sector

Activities in the secondary sector rebounded by 4.2% in 2006 after a negative growth of 4.7% in 2005. Within the sector,

- **Manufacturing** grew by 3.9% in 2006 after a contraction of 5.5% in 2005. The performances of its sub-sectors are as follows:

*Sugar milling* a decline of 2.9% based on a sugar production of 504,857 tonnes compared to 519,816 tonnes in 2005.

*EPZ* a growth of 4.6% after four years of negative growths (2002: -6.0%, 2003: -6.0%, 2004: -6.8% and 2005: -12.3%). The total output in 2006 is estimated at around R 37,500 million compared to R 32,000 million in 2005.

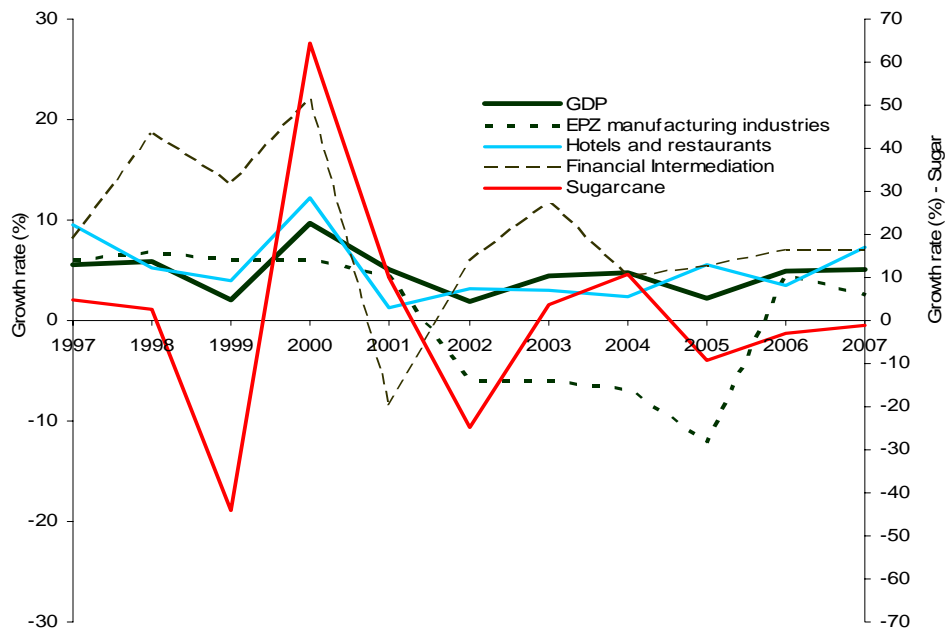
*Other manufacturing* a growth of 4.1% after stabilisation in 2005, partly attributable to the introduction of duties on some imported items to protect local manufacturers against duty-free imports as well as measures taken to boost up the small and medium enterprises.

- **Electricity, gas and water supply** grew by 4.4% compared to 3.8% in 2005.
- After a contraction of 5.2% in 2005, **Construction** rebounded by 5.1%, mainly attributable to the construction and renovation of hotels and the implementation of projects under the Integrated Resort Scheme.

## Tertiary sector

The tertiary sector went up by 5.7% in 2006, compared to 6.4% in 2005. All the service industries recorded increases in activity during the year.

Chart 8: Growth rate (%) - GDP and selected industries, 1997 - 2007



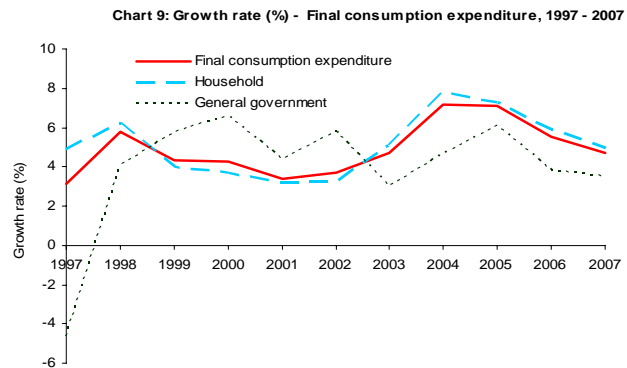
- **Wholesale and retail trade; repair of motor vehicles, motor cycles, personal and household goods** grew by 5.4%, lower than the 5.6% growth recorded in 2005, as a result of reduced growths in final consumption due to price increases of consumer goods, and in trade activities of the Freeport.
- **Hotels and restaurants** grew by 3.5%, lower than the 5.6% growth in 2005. In 2006, 788,276 tourists visited the country compared to 761,063 in 2005, generating tourist earnings of R 31,942 million compared to R 25,704 million in 2005.
- **Transport, storage and communications** grew by 7.2%, lower than the 7.7% growth in 2005.

- **Financial intermediation** grew by 7.0% higher than the 5.4% growth registered in 2005. This was the result of growths of 5.0%, 7.1% and 11.0% in insurance, banks and other financial intermediation activities respectively.
- **Real estate, renting and business activities** grew by 6.2 % lower than the 6.5% growth registered in 2005.
- Activities of **Public administration and defence; compulsory social security** grew by 4.0% lower than the 5.3% growth registered in 2005.
- **Education**, which includes services provided by both public and private operators, grew by 3.5% in 2006, lower than the 6.1% growth in 2005.
- **Health and social work** grew by 7.7% in 2006, higher than the 6.2% growth in 2005.
- **Other community, social and personal service activities and private households with employed persons** grew by 7.6% compared to 7.2% in 2005.
- **Financial Intermediation Services Indirectly Measured (FISIM)** grew by 6.9% compared to 7.3% in 2005.

### 4.1.3 Expenditure on Gross Domestic Product

#### 4.1.3.1 Final consumption expenditure

Total final consumption expenditure increased by 13.0% to reach R 174,836 million in 2006 from R 154,717 million in 2005. The real growth rate worked out to 5.5% compared to 7.1% in 2005 as a result of lower growths in both final consumption expenditure of households and General Government (Tables 9 and 10). Final consumption expenditure of households which represents more than 80% of the total, grew at a lower rate of 5.9% after high growths of 7.3% and 7.8% in 2005 and 2004 respectively. Similarly, that of General Government rose by 3.8% in 2006 compared to 6.1% and 4.6% in 2005 and 2004 respectively.

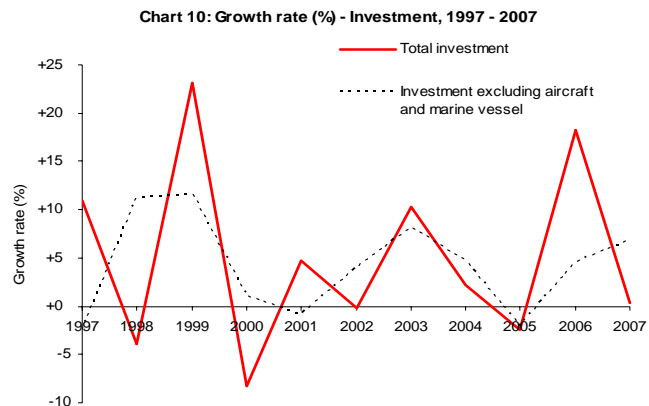


#### 4.1.3.2 Investment

Investment in 2006 reached R 49,375 million compared to R 39,531 million in 2005, representing a nominal increase of 24.9% (Table 9). After removing the price effect of 5.7%, investment in real terms increased significantly by 18.2% in 2006 after a contraction of 2.4% in 2005. Exclusive of the acquisition of aircraft, the growth worked out to 4.6% compared to -2.1% in 2005 (Table 13).

Investment rate, as measured by the ratio of investment to GDP at market prices worked out to 24.0% in 2006, higher than the 2005 figure of 21.3% (Table 2).

Exclusive of aircraft, the rates for 2005 and 2006 worked out to 21.3% and 21.2% respectively.



#### Investment by type (Table 13)

After a contraction of 6.2% in 2005, "Building and construction work" rebounded by 4.7% in 2006, mainly due to growths in both 'Residential building' (+9.1%) and "Non-residential building" (+3.0%).

"Residential building" rebounded by 9.1% after two consecutive drops in 2004 (-2.3%) and in 2005 (-10.5%) while "Non-residential building" expanded by 3.0% after a contraction of 12.1% in 2005, mainly explained by construction and renovation of hotels and implementation of IRS projects. On the other hand, "Other construction work" grew by 1.8% in 2006 after a high growth of 13.0% in 2005.

Investment in "Machinery and transport equipment" grew substantially by 37.5% compared to a growth of 3.4% in 2005, mostly attributable to high investment in aircraft. Excluding the acquisition of aircraft, the growth worked out to 4.4% compared to 4.2% in 2005.

#### Investment by sector (Tables 9 and 10)

Private sector investment in 2006 is estimated at R 33,428 million representing a nominal increase of 20.4% over the 2005 figure of R 27,773 million. In real terms, it grew by 13.6% after a decline of 1.0% in 2005. The 13.6% growth was mostly attributable to high investment in hotels and IRS projects.

Public sector investment increased by 35.6% in nominal terms to R 15,947 million in 2006 from R 11,758 million in 2005. In real terms, the growth rate worked out to 29.1% compared to -5.4% in 2005. The 29.1% growth was mostly due to the high investment in aircraft offset to some extent by lower investment in machinery and equipment by some parastatal bodies. Excluding the acquisition and sale of aircraft, the real growth rate of public sector investment declined by 16.8% compared to -3.6% in 2005.

The share of private sector investment declined to 67.7% in 2006 from 70.3% in 2005 and that of the public sector increased to 32.3% from 29.7%. Excluding the acquisition and sale of aircraft, the share of

private sector investment was 76.2% and that of the public sector 23.8% compared to 70.2% and 29.8% respectively in 2005 (Table 2).

#### 4.1.3.3 Imports and exports of goods and services

In 2006, imports of goods and services are estimated at R 150,761 million compared to R 122,067 million in 2005, representing an increase of 23.5% in nominal terms (Table 9). This increase is mainly due to the acquisition of aircraft, high import bill of petroleum products and more activities of the Freeport during the year.

In real terms, imports of goods and services grew by 9.6% in 2006 compared to 6.4% in 2005. Imports of goods measured on an f.o.b. basis rose by 11.2% whilst imports of services, which include insurance and freight paid in respect of imported goods, increased by 5.7% (Table 10).

Exports of goods and services increased by 14.7% to R 127,252 million in 2006 from R 110,940 million in 2005, mostly explained by higher exports by EPZ enterprises and Freeport operators, and the sale of aircraft. In real terms, this represents a growth of 8.5%. Exports of goods measured on an f.o.b. basis went up by 11.0% in 2006. It is worth noting that exports of goods posted a positive growth in 2005 and in 2006 after three consecutive years of negative growth. Positive growth in 2005 was mainly attributable to a significant increase in exports of the Freeport, and that in 2006 was explained by a growth in the EPZ exports. Exports of services, which include spending by tourists in the country, grew by 5.2% (Tables 9 and 10).

Net exports of goods and services resulted in a deficit of R 23,509 million in 2006 compared to R 11,127 million in 2005. This represents 11.4% of GDP at market prices in 2006 compared to 6.0% in 2005 (Tables 1 and 2).

Exclusive of aircraft, net exports of goods and services in 2006 resulted in a deficit of R 17,834 million, representing 8.7% of GDP at market prices.

#### 4.1.4 GDP at market prices by category of income

In 2006, the relative share of the three components of GDP at market prices was as follows:

Compensation of employees	36.2%
Taxes net of subsidies on production and imports	12.7%
Gross operating surplus	51.1%

Compensation of employees reached R 74,512 million in 2006, representing a nominal increase of 8.2% over the R 68,843 million recorded in 2005. Gross operating surplus which accounted for about half of GDP at market prices increased by 14.9% to R 105,251 million from R 91,580 while taxes (net of subsidies) on production and imports increased by 5.2% to R 26,061 million from R 24,781 million (Table 11).

Chart 11: Growth rate (%), exports and imports of goods and services, 1997 - 2007

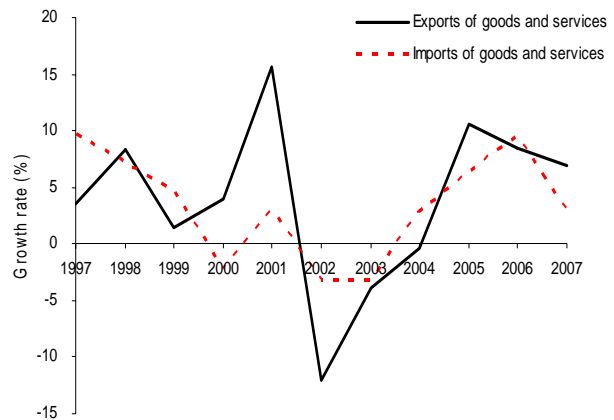
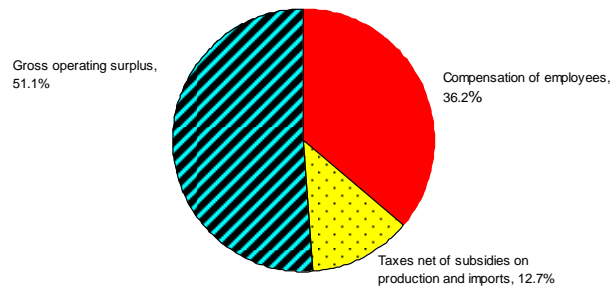


Chart 12: GDP at market prices by income category, 2006





#### 4.1.5 Gross National Disposable Income and Saving

Gross National Disposable Income (GNDI), which in addition to GDP at market prices takes into account flows of primary income comprising mostly interests and dividends (+ R 118 million) and transfers (+ R 2,264 million) from and to the rest of the world, increased by 11.5% to reach R 208,206 million in 2006 from R 186,762 in 2005 (Table 11).

Out of the R 208,206 million available in 2006 as GNDI, R 174,836 million or 84.0% were spent as final consumption of households and General Government. The remaining R 33,370 million or 16.0% constituted the Gross National Saving (GNS). In 2005, GNS was R 32,044 million representing 17.2% of GNDI (Table 11).

The saving rate as measured by the ratio of Gross National Saving to GDP at market prices declined to 16.2% in 2006 from 17.3% in 2005.

## 4.2 Year 2007 (forecast)

### 4.2.1 Gross Domestic Product

Based on information gathered on key sectors and recent past trends, the economy is now forecasted to grow by around 5.0%, lower than the forecast of 5.5% made in December 2006. The main reason is a downward revision of sugar production from 550,000 tonnes to 500,000 tonnes following the passage of cyclone Gamede in February 2007. Exclusive of sugar, the growth rate would be around 5.2% in 2007 as opposed to 5.3% in 2006 (Tables 3 and 6). The assumptions used are at paragraph 4.2.2.

GDP at basic prices in 2007 would reach R 199,560 million, representing a nominal increase of 9.9% over the 2006 figure of R 181,505 while GDP at market prices would increase by 9.1% to R 224,562 million from R 205,824 million. Taxes on products (net of subsidies) would amount to R 25,002 million compared to R 24,319 million in 2006, that is, 2.8% higher.

### 4.2.2 Growth rate by industry

The main assumptions used for the forecast of 5.0% in the GDP growth in 2007 are:

- **Sugarcane/sugar milling:** Following excessive rainfalls in February and followed by tropical storm Gamede in the same month, a sugar production of around 500,000 tonnes is now forecasted for 2007, lower than the normal production of 550,000 tonnes estimated earlier in December 2006. This would result in a growth of -1.0% compared to -2.9% in 2006 when sugar production was 504,857 tonnes.
- **EPZ manufacturing industries:** Based on information gathered from the main stakeholders of the industry and exports data for the first two months of the year, the output of the EPZ sector, including export and sales to the Freeport, is forecasted at around R 40,000 million compared to R 37,500 million in 2006. After removing the price effect estimated at 5.0%, the real growth of the sector works out to 2.5% against 4.6% in 2006.
- **Non-EPZ manufacturing industries (excluding sugar):** The sector is expected to grow by around 2.5% after a growth of 4.1% in 2006.
- **Construction:** The sector is expected to grow by around 7.5%, mainly attributable to construction and renovation of hotels, ongoing projects under the Integrated Resort Scheme and expansion of textile and wearing apparel industries.
- **Hotels and restaurants:** Based on information gathered from the main stakeholders of this sector and the number of tourist arrivals in January and February 2007, the forecast of 850,000 tourist arrivals made earlier in December 2006 is maintained. The sector is expected to expand by 7.3%, higher than the growth of 3.5% registered in 2006. Tourist receipts for 2007 are forecasted at around R 35,900 million.
- **Wholesale and retail trade:** The sector is expected to grow at the rate of 5.0%, lower than the 2006 figure of 5.3%.
- **Financial intermediation** is expected to grow by 7.0% as a result of growths of 6.0%, 6.9% and 10.0% for insurance, banks and other financial intermediation activities respectively.

### 4.2.3 Consumption and Saving

Gross National Disposable Income (GNDI) is expected to reach R 229,419 million in 2007 compared to R 208,206 in 2006, representing an increase of 10.2%.

Final consumption expenditure of households and General Government is expected to increase by around 10.6% to attain R 193,378 million in 2007 from R 174,836 million in 2006. The real growth rate would be 4.7% in 2007 lower than the 5.5% growth in 2006 (Tables 9 and 10).

Gross National Saving (GNS) would reach R 36,041 in 2007, higher than the figure of 2006 of R 33,370 million. GNS as a percentage of GNDI would be 15.7% in 2007, compared to 16.0% in 2006. The saving rate measured as the percentage of GNS to GDP at market prices would reach 16.0 in 2007 compared to 16.2 in 2006 (Table 11).

#### **4.2.4 Investment**

Latest available information on ongoing and new projects indicates that investment in 2007 would reach around R 52,623 million, representing an increase of 6.6% in nominal terms over the 2006 figure of R 49,375 million (Tables 9 and 12). In real terms, it would grow by around 0.3% in 2007 after a high growth of 18.2% in 2006. Exclusive of net investment on aircraft in 2006 (R 5,675 million) and 2007 (R 2,925 million), the growth works out to 6.9% in 2007 compared to 4.6% in 2006 (Table 13).

Investment rate would reach 23.4% in 2007 compared to 24.0% in 2006. Exclusive of net investment on aircraft, the rate would be around 22.1%, higher than the figure of 21.2% of 2006 (Table 2).

##### ***Investment by type***

“Building and construction work” is expected to expand by around 10.3% in 2007. Within this category, “Residential building” is expected to grow by 8.2% and “Non-residential building” by 19.0%. “Other construction work” on the other hand would decline by 0.9%.

Investment in “Machinery and equipment” would decline by around 10.8% after a high growth of 37.5% in 2006. However, excluding investment on aircraft, a positive growth of around 1.9% is expected in 2007.

##### ***Investment by sector***

Private sector investment would probably grow by 13.8% to reach R 38,041 million in 2007 from R 33,428 million in 2006. In real terms, it is expected to grow by around 7.0% after a high growth of 13.6% in 2006. The 7.0% growth would be mostly attributable to high investment in hotels and IRS projects, and to a lesser extent to investment in the textile and wearing apparel industries (Tables 9 and 10).

Public sector investment is forecast at R 14,582 million, that is, 8.6% lower than the 2006 figure of R 15,947 million. After removing the price effect, public sector investment is expected to decline by around 13.7% compared to a high growth of 29.1% in 2006. The negative growth in 2007 would be explained by lower net investment in aircraft in 2007 (R 2,925 million) than in 2006 (R 5,675 million), partly offset by investment in machinery and equipment by some parastatal bodies. Excluding the acquisition and sale of aircraft, the real growth of public sector investment would grow by 5.3% compared to -16.8% in 2006.

The share of private sector investment is expected to increase to 72.3% in 2007 from 67.7% in 2006 and that of the public sector to decrease to 27.7% from 32.3%. Excluding the acquisition of aircraft in 2007, the share of private sector investment would be 76.5% and that of the public sector 23.5%.

#### **4.2.5 Imports and exports of goods and services**

Imports of goods and services are forecasted to be around R 162,811 million in 2007 compared to R 150,761 million in 2006, representing a nominal increase of 8.0% (Table 9). In real terms, it would grow by 2.9% compared to 9.6% in 2006. Imports of goods measured on an f.o.b. basis would grow by 4.8% whilst imports of services, which include insurance and freight paid in respect of imported goods, would decline by 2.1% (Table 10).

Exports of goods and services would increase by 11.2% to R 141,548 million in 2007 from R 127,252 million in 2006, mostly explained by higher exports by EPZ enterprises and Freeport operators, partly offset by lower sugar exports. In real terms, this would represent a growth of 7.0%. Exports of goods measured on an f.o.b. basis are forecasted to increase by 7.5% and that of services to grow by 6.2% (Tables 9 and 10).

Net exports of goods and services would result in a deficit of R 21,263 million in 2007 compared to R 23,509 million in 2006. This represents 9.5% of GDP at market prices in 2007 compared to 11.4% in 2006 (Tables 1 and 2).

Exclusive of the aircraft, net exports of goods and services in 2007 would result in a deficit of R 18,338 million, representing 8.2% of GDP at market prices, compared to 8.7% in 2006.

## 5. NOTES

### 5.1 Release of National Accounts data

Annual National Accounts aggregates are compiled and published in the "Economic and Social Indicators" in January, April, July and October according to an advance calendar posted on the website of the Central Statistics Office (<http://statsmauritius.gov.mu>). This issue covers the period 2004 to 2007. The next issues covering the same period will be released as follows:

Issue	Date posted on Website	Date hard copy available
June 2007	29 June 2007	9 July 2007
September 2007	28 September 2007	4 October 2007
December 2007	28 December 2007	8 January 2008

More detailed statistics on National Accounts are available in the annual Digest of National Accounts published in May. All publications of the CSO, including historical series, can be downloaded from the office website.

### 5.2 Revisions policy

(i) Benchmark data for the compilation of annual National Accounts estimates are obtained from the Census of Economic Activities (CEA) which is conducted every five years. For non-census years, the estimates are worked out based on results of quarterly and annual surveys as well as data from administrative sources. These are updated as and when additional information becomes available. Revisions to published series may therefore be made in subsequent issues of the publication.

There will also be occasional major revisions, such as rebasing on results of the quinquennial CEA, methodological changes, and adoption of latest international recommendations. Users will be informed in advance of these major changes while comparable series will be worked out as far back as possible and published.

(ii) It is to be noted that following the promulgation of the Finance Act 2006, no distinction is now being made between the EPZ and other manufacturing enterprises. The office will review this publication accordingly. However, during a transitional period extending to 30 June 2007, it will continue to publish separate figures for the EPZ sector.

### 5.3 Inquiries

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### 5.4 Definitions

#### Gross Domestic Product (GDP)

GDP is the aggregate money value of all goods and services produced within a country out of economic activity during a specified period, usually a year, before provision for the consumption of fixed capital.

#### GDP at basic prices

GDP at basic prices is obtained as the difference between output and intermediate consumption whereby output is valued at basic prices and intermediate consumption at purchasers' prices.

The basic price is the amount receivable by the producer exclusive of taxes on products and inclusive of subsidies on products. The equivalent for imported products is the c.i.f. value, i.e. the value at the border of the importing country.

The purchasers' price is the amount payable by the purchaser exclusive of deductible taxes on products (e.g. deductible value added tax).

#### GDP at market prices

GDP at market prices is equal to the GDP at basic prices plus taxes (net of subsidies) on products.

**Gross National Income (GNI)**

GDP plus net primary income from abroad gives Gross National Income (GNI).

**Gross National Disposable Income (GNDI)**

Gross National Income (GNI) net of transfers from the rest of the world gives Gross National Disposable Income (GNDI).

**Consumption expenditure**

Consumption expenditure is made up of final consumption expenditure of households and of government.

Government final consumption expenditure is further disaggregated into *collective* and *individual* consumption expenditure. *Collective* expenditure consists of the services which government provides to the community as a whole, for example, security and defence whereas *individual* expenditure is made up of expenses incurred in providing services which are mostly beneficial to individuals, mainly in respect of health and education.

**Actual government final consumption expenditure**

Actual government final consumption expenditure refers to expenditure incurred for the provision of collective services.

Final consumption expenditure incurred by households comprises the value of goods and services purchased by households including the value of imputed rent of owner occupied dwellings. For a better measure of standard of living, actual private final consumption expenditure is used.

**Actual final consumption expenditure of households**

Actual final consumption expenditure of households covers goods and services supplied to households, irrespective of whether these goods and services are actually paid by government or households themselves. Consequently, it consists of expenditure incurred by households and government on the provision of individual services.

**Gross National Saving (GNS)**

Gross National Disposable Income (GNDI) less total consumption gives Gross National Saving.

**Saving rate**

Saving rate is the ratio of GNS to GDP at market prices.

**Gross Domestic Fixed Capital Formation (GDFCF)**

GDFCF is the net additions to the physical assets of the country in a year. These consist mainly of investment in buildings, plants, machinery and transport equipment, all valued at market prices.

**Investment rate**

Investment rate is the ratio of GDFCF to GDP at market prices.

**Exports and Imports of goods and services**

In this publication both exports and imports of goods are measured on an f.o.b. basis. Insurance and freight, which represent the difference between the c.i.f. and f.o.b. values of imports of goods, are recorded as import of services.

Exports and imports of goods are compiled according to the General Trade System, using the national boundary as the statistical frontier. All goods entering the country are recorded in imports and goods leaving the country in exports.

**Change in inventories**

Change in inventories includes the value of the physical change in inventories of raw materials, work in progress, and finished goods held by producers.

**Financial intermediation services indirectly measured (FISIM)**

FISIM is obtained as the difference between interest received and interest paid by banks excluding those received on own funds. As it is difficult to allocate FISIM to the intermediate consumption of different industries, the total value of FISIM is imputed to a nominal industry with negative value added.

**Primary sector**

The primary sector comprises "Agriculture, hunting, forestry and fishing" and "Mining and quarrying".

**Secondary sector**

The secondary sector includes "Manufacturing", "Electricity, gas and water supply" and "Construction".

**Tertiary sector**

The tertiary sector includes "Wholesale and retail trade; repair of motor vehicles, motorcycles, personal and household goods", "Hotels and restaurants", "Transport, storage and communications", "Financial intermediation", "Real estate, renting and business services", "Public administration and defence; compulsory social security", "Education", "Health and social work", "Other community, social and personal service activities and private households with employed persons".

**Contribution to GDP growth**

The contribution of an industry group to the annual GDP growth is calculated by multiplying the annual growth rate of the group by its relative share of GDP in the previous year.

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Table 1 - Main National Accounts aggregates, 2004 - 2007

	Unit	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>1. Gross Domestic Product (GDP) at basic prices</b>	R M	152,425	162,027	181,505	199,560
<b>2. Taxes on products (net of subsidies)</b>	R M	23,172	23,177	24,319	25,002
<b>3. Gross Domestic Product (GDP) at market prices</b>	R M	175,597	185,204	205,824	224,562
<b>4. Net primary income from the rest of the world</b>	R M	-390	-239	+118	+1,682
<b>5. Gross National Income (GNI)</b>					
<b>at basic prices</b>	R M	152,035	161,788	181,623	201,242
<b>at market prices</b>	R M	175,207	184,965	205,942	226,244
<b>6. Net transfer from the rest of the world</b>	R M	+1,374	+1,797	+2,264	+3,175
<b>7. Gross National Disposable Income (GNDI)</b>	R M	176,581	186,762	208,206	229,419
<b>8. Per capita GNI</b>					
<b>at basic prices</b>	R	123,238	130,102	144,952	159,463
<b>at market prices</b>	R	142,020	148,740	164,360	179,274
<b>9. Per capita GDP</b>					
<b>at basic prices</b>	R	123,554	130,295	144,858	158,130
<b>at market prices</b>	R	142,337	148,933	164,266	177,942
<b>10. Compensation of employees</b>	R M	64,378	68,843	74,512	80,579
<b>11. Final consumption expenditure</b>	<b>R M</b>	<b>136,880</b>	<b>154,717</b>	<b>174,836</b>	<b>193,378</b>
Households	R M	111,837	127,349	145,481	161,833
General Government	R M	25,043	27,368	29,355	31,545
<b>Actual final consumption expenditure</b>	<b>R M</b>	<b>136,880</b>	<b>154,717</b>	<b>174,836</b>	<b>193,378</b>
Households	R M	122,180	138,495	157,606	174,769
General Government	R M	14,700	16,222	17,230	18,609
<b>12. Gross Domestic Fixed Capital Formation (GDFCF)</b>	<b>R M</b>	<b>38,003</b>	<b>39,531</b>	<b>49,375</b>	<b>52,623</b>
Private sector	R M	26,345	27,773	33,428	38,041
Public sector	R M	11,658	11,758	15,947	14,582
<b>13. Gross National Saving (GNS)</b>	<b>R M</b>	<b>39,701</b>	<b>32,045</b>	<b>33,370</b>	<b>36,041</b>
<b>14. Net exports of goods &amp; services</b>	<b>R M</b>	<b>-4,165</b>	<b>-11,127</b>	<b>-23,509</b>	<b>-21,263</b>
Exports of goods & services	R M	94,859	110,940	127,252	141,548
<i>exclusive of aircraft and marine vessel</i>	<i>R M</i>	<i>94,859</i>	<i>110,940</i>	<i>126,102</i>	<i>141,548</i>
Imports of goods & services	R M	99,024	122,067	150,761	162,811
<i>exclusive of aircraft and marine vessel</i>	<i>R M</i>	<i>98,805</i>	<i>121,947</i>	<i>143,936</i>	<i>159,886</i>

1/ Revised 2/ Forecast

Table 2 - Growth rates and ratios, 2004 - 2007

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
	(%)	(%)	(%)	(%)
<b>1. Annual real growth rate of:</b>				
Gross Domestic Product (GDP) at basic prices	+4.8	+2.2	+5.0	+5.0
Final consumption expenditure	+7.2	+7.1	+5.5	+4.7
<i>Households</i>	+7.8	+7.3	+5.9	+4.9
<i>General Government</i>	+4.6	+6.1	+3.8	+3.5
Gross Domestic Fixed Capital Formation (GDFCF)	+2.2	-2.4	+18.2	+0.3
GDFCF (excluding aircraft and marine vessel)	+4.8	-2.1	+4.6	+6.9
<b>2. Ratios</b>				
Compensation of employees as a % of GDP at basic prices	42.2	42.5	41.1	40.4
Final consumption expenditure as a % of GDP at market prices	78.0	83.5	84.9	86.1
<i>Households</i>	63.7	68.8	70.7	72.1
<i>General Government</i>	14.3	14.8	14.3	14.0
GDFCF as a % of GDP at market prices	21.6	21.3	24.0	23.4
<i>exclusive of aircraft and marine vessel</i>	21.5	21.3	21.2	22.1
Public sector' s investment as a % of GDFCF	30.7	29.7	32.3	27.7
<i>exclusive of aircraft and marine vessel</i>	30.3	29.8	23.8	23.5
Gross National Savings (GNS) as a % of GNDI	22.5	17.2	16.0	15.7
Gross National Savings (GNS) as a % of GDP at market prices	22.6	17.3	16.2	16.0
Net exports of goods & services as a % of GDP at market prices (+) surplus / (-) deficit	-2.4	-6.0	-11.4	-9.5

1/ Revised 2/ Forecast

Table 3 - Gross Domestic Product by industry group at current basic prices, 2004 - 2007

	(R Million)			
	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>9,830</b>	<b>9,790</b>	<b>9,988</b>	<b>10,420</b>
Sugarcane	5,261	5,212	4,995	5,093
Other	4,569	4,578	4,993	5,327
<b>Mining and quarrying</b>	<b>87</b>	<b>88</b>	<b>101</b>	<b>106</b>
<b>Manufacturing</b>	<b>31,942</b>	<b>32,187</b>	<b>36,313</b>	<b>38,996</b>
Sugar	1,624	1,609	1,542	1,572
EPZ products	13,140	12,108	13,694	14,740
Other	17,178	18,470	21,077	22,684
<b>Electricity, gas and water supply</b>	<b>3,546</b>	<b>3,355</b>	<b>3,591</b>	<b>3,640</b>
<b>Construction</b>	<b>8,835</b>	<b>9,023</b>	<b>10,109</b>	<b>11,624</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motorcycles, personal and household goods</b>	<b>17,327</b>	<b>19,503</b>	<b>22,156</b>	<b>24,800</b>
Wholesale and retail trade	16,350	18,378	20,868	23,335
Repair of motor vehicles, motorcycles, personal and household goods	977	1,125	1,288	1,465
<b>Hotels and restaurants</b>	<b>11,296</b>	<b>12,423</b>	<b>15,431</b>	<b>17,389</b>
<b>Transport, storage and communications</b>	<b>19,682</b>	<b>20,447</b>	<b>22,427</b>	<b>24,169</b>
<b>Financial intermediation</b>	<b>14,875</b>	<b>16,766</b>	<b>18,850</b>	<b>21,424</b>
Insurance	4,200	4,675	5,154	5,736
Banks	8,990	10,141	11,477	13,126
Other	1,685	1,950	2,219	2,562
<b>Real estate, renting and business activities</b>	<b>14,679</b>	<b>16,609</b>	<b>19,015</b>	<b>21,564</b>
Owner occupied dwellings	7,247	8,177	9,091	10,039
Other	7,432	8,432	9,924	11,525
<b>Public administration and defence; compulsory social security</b>	<b>10,580</b>	<b>11,460</b>	<b>12,199</b>	<b>13,031</b>
<b>Education</b>	<b>7,087</b>	<b>7,780</b>	<b>8,390</b>	<b>9,064</b>
<b>Health and social work</b>	<b>5,087</b>	<b>5,580</b>	<b>6,267</b>	<b>7,043</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>5,390</b>	<b>6,007</b>	<b>6,785</b>	<b>7,656</b>
<b>FISIM</b>	<b>-7,818</b>	<b>-8,991</b>	<b>-10,117</b>	<b>-11,366</b>
<b>Gross Domestic Product at basic prices</b>	<b>152,425</b>	<b>162,027</b>	<b>181,505</b>	<b>199,560</b>
<b>Taxes on products (net of subsidies)</b>	<b>23,172</b>	<b>23,177</b>	<b>24,319</b>	<b>25,002</b>
<b>Gross Domestic Product at market prices</b>	<b>175,597</b>	<b>185,204</b>	<b>205,824</b>	<b>224,562</b>

1/ Revised 2/ Forecast



**Table 4 - Value added by industry group at current basic prices for General Government, 2004 - 2007**

	(R Million)			
	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>1,033</b>	<b>1,071</b>	<b>1,088</b>	<b>1,114</b>
Sugarcane	0	0	0	0
Other	1,033	1,071	1,088	1,114
<b>Manufacturing</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>50</b>
Sugar	0	0	0	0
EPZ products	0	0	0	0
Other	46	47	48	50
<b>Construction</b>	<b>415</b>	<b>415</b>	<b>387</b>	<b>363</b>
<b>Transport, storage and communications</b>	<b>182</b>	<b>192</b>	<b>198</b>	<b>205</b>
<b>Real estate, renting and business activities</b>	<b>57</b>	<b>62</b>	<b>64</b>	<b>67</b>
Owner occupied dwellings	0	0	0	0
Other	57	62	64	67
<b>Public administration and defence; compulsory social security</b>	<b>10,580</b>	<b>11,460</b>	<b>12,199</b>	<b>13,031</b>
<b>Education</b>	<b>3,653</b>	<b>3,905</b>	<b>4,137</b>	<b>4,425</b>
<b>Health and social work</b>	<b>3,097</b>	<b>3,314</b>	<b>3,606</b>	<b>3,953</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>50</b>	<b>50</b>	<b>44</b>	<b>40</b>
<b>General Government</b>	<b>19,113</b>	<b>20,516</b>	<b>21,771</b>	<b>23,248</b>

1/ Revised 2/ Forecast

**Table 5 - Percentage Distribution of Gross Domestic Product by industry group at current basic prices, 2004 - 2007**

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>6.5</b>	<b>6.0</b>	<b>5.6</b>	<b>5.3</b>
Sugarcane	3.5	3.2	2.8	2.6
Other	3.0	2.8	2.8	2.7
<b>Mining and quarrying</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Manufacturing</b>	<b>21.0</b>	<b>19.9</b>	<b>20.0</b>	<b>19.6</b>
Sugar	1.1	1.0	0.9	0.8
EPZ products	8.6	7.5	7.5	7.4
Other	11.3	11.4	11.6	11.4
<b>Electricity, gas and water supply</b>	<b>2.3</b>	<b>2.1</b>	<b>2.0</b>	<b>1.8</b>
<b>Construction</b>	<b>5.8</b>	<b>5.6</b>	<b>5.6</b>	<b>5.8</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motor cycles, personal and household goods</b>	<b>11.3</b>	<b>12.0</b>	<b>12.2</b>	<b>12.4</b>
Wholesale and retail trade	10.7	11.3	11.5	11.7
Repair of motor vehicles, motorcycles, personal and household goods	0.6	0.7	0.7	0.7
<b>Hotels and restaurants</b>	<b>7.4</b>	<b>7.7</b>	<b>8.5</b>	<b>8.7</b>
<b>Transport, storage and communications</b>	<b>12.9</b>	<b>12.6</b>	<b>12.3</b>	<b>12.1</b>
<b>Financial intermediation</b>	<b>9.8</b>	<b>10.3</b>	<b>10.3</b>	<b>10.8</b>
Insurance	2.8	2.8	2.8	2.9
Banks	5.9	6.3	6.3	6.6
Other	1.1	1.2	1.2	1.3
<b>Real estate, renting and business activities</b>	<b>9.7</b>	<b>10.2</b>	<b>10.5</b>	<b>10.8</b>
Owner occupied dwellings	4.8	5.0	5.0	5.0
Other	4.9	5.2	5.5	5.8
<b>Public administration and defence; compulsory social security</b>	<b>6.9</b>	<b>7.1</b>	<b>6.7</b>	<b>6.5</b>
<b>Education</b>	<b>4.6</b>	<b>4.8</b>	<b>4.6</b>	<b>4.5</b>
<b>Health and social work</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>3.5</b>	<b>3.7</b>	<b>3.7</b>	<b>3.8</b>
<b>FISIM</b>	<b>-5.1</b>	<b>-5.5</b>	<b>-5.6</b>	<b>-5.7</b>
<b>Gross Domestic Product at basic prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Revised 2/ Forecast

Table 6 - Gross Domestic Product - sectoral real growth rates (% over previous year), 2004 - 2007

	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>+8.1</b>	<b>-5.4</b>	<b>+0.6</b>	<b>+0.5</b>
Sugarcane	+10.6	-9.2	-2.9	-1.0
Other	+5.4	-1.1	+4.5	+2.1
<b>Mining and quarrying</b>	<b>+0.4</b>	<b>-3.6</b>	<b>+9.1</b>	<b>+2.0</b>
<b>Manufacturing</b>	<b>+0.5</b>	<b>-5.5</b>	<b>+3.9</b>	<b>+2.4</b>
Sugar	+10.6	-9.2	-2.9	-1.0
EPZ products	-6.8	-12.3	+4.6	+2.5
Other	+6.0	0.0	+4.1	+2.5
<b>Electricity, gas and water supply</b>	<b>+4.0</b>	<b>+3.8</b>	<b>+4.4</b>	<b>+3.4</b>
<b>Construction</b>	<b>+0.5</b>	<b>-5.2</b>	<b>+5.1</b>	<b>+7.5</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motor cycles, personal and household goods</b>	<b>+5.7</b>	<b>+5.6</b>	<b>+5.4</b>	<b>+5.1</b>
Wholesale and retail trade	+5.5	+5.5	+5.3	+5.0
Repair of motor vehicles, motorcycles, personal and household goods	+8.5	+8.0	+7.0	+7.0
<b>Hotels and restaurants</b>	<b>+2.4</b>	<b>+5.6</b>	<b>+3.5</b>	<b>+7.3</b>
<b>Transport, storage and communications</b>	<b>+8.1</b>	<b>+7.7</b>	<b>+7.2</b>	<b>+7.8</b>
<b>Financial intermediation</b>	<b>+4.3</b>	<b>+5.4</b>	<b>+7.0</b>	<b>+7.0</b>
Insurance	+5.0	+5.0	+5.0	+6.0
Banks	+2.0	+4.8	+7.1	+6.9
Other	+15.9	+9.5	+11.0	+10.0
<b>Real estate, renting and business activities</b>	<b>+6.7</b>	<b>+6.5</b>	<b>+6.2</b>	<b>+6.2</b>
Owner occupied dwellings	+5.3	+4.8	+4.3	+4.2
Other	+8.0	+8.1	+8.1	+8.1
<b>Public administration and defence; compulsory social security</b>	<b>+4.3</b>	<b>+5.3</b>	<b>+4.0</b>	<b>+3.2</b>
<b>Education</b>	<b>+6.4</b>	<b>+6.1</b>	<b>+3.5</b>	<b>+2.3</b>
<b>Health and social work</b>	<b>+7.0</b>	<b>+6.2</b>	<b>+7.7</b>	<b>+7.3</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>+7.6</b>	<b>+7.2</b>	<b>+7.6</b>	<b>+6.9</b>
<b>FISIM</b>	<b>-0.4</b>	<b>+7.3</b>	<b>+6.9</b>	<b>+7.0</b>
<b>Gross Domestic Product at basic prices</b>	<b>+4.8</b>	<b>+2.2</b>	<b>+5.0</b>	<b>+5.0</b>
<b>Gross Domestic Product at basic prices exc. sugar</b>	<b>+4.5</b>	<b>+2.8</b>	<b>+5.3</b>	<b>+5.2</b>
<b>Taxes on products (net of subsidies)</b>	<b>+12.3</b>	<b>-5.5</b>	<b>-3.8</b>	<b>+0.3</b>
<b>Gross Domestic Product at market prices</b>	<b>+5.7</b>	<b>+1.2</b>	<b>+3.9</b>	<b>+4.5</b>

1/ Revised 2/ Forecast

Table 7 - Contribution of industry groups to GDP growth, 2004 - 2007

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>+0.5</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>
Sugarcane	+0.3	-0.3	-0.1	0.0
Other	+0.2	0.0	+0.1	0.0
<b>Mining and quarrying</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Manufacturing</b>	<b>+0.1</b>	<b>-1.2</b>	<b>+0.8</b>	<b>+0.5</b>
Sugar	+0.1	-0.1	0.0	0.0
EPZ products	-0.7	-1.1	+0.3	+0.2
Other	+0.7	0.0	+0.5	+0.3
<b>Electricity, gas and water supply</b>	<b>+0.1</b>	<b>+0.1</b>	<b>+0.1</b>	<b>+0.1</b>
<b>Construction</b>	<b>0.0</b>	<b>-0.3</b>	<b>+0.3</b>	<b>+0.4</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motorcycles, personal and household goods</b>	<b>+0.7</b>	<b>+0.6</b>	<b>+0.6</b>	<b>+0.6</b>
Wholesale and retail trade	+0.6	+0.6	+0.6	+0.6
Repair of motor vehicles, motorcycles, personal and household goods	+0.1	0.0	0.0	0.0
<b>Hotels and restaurants</b>	<b>+0.2</b>	<b>+0.4</b>	<b>+0.3</b>	<b>+0.6</b>
<b>Transport, storage and communications</b>	<b>+1.1</b>	<b>+1.0</b>	<b>+0.9</b>	<b>+1.0</b>
<b>Financial intermediation</b>	<b>+0.4</b>	<b>+0.5</b>	<b>+0.7</b>	<b>+0.7</b>
Insurance	+0.1	+0.1	+0.2	+0.2
Banks	+0.1	+0.3	+0.4	+0.4
Other	+0.2	+0.1	+0.1	+0.1
<b>Real estate, renting and business activities</b>	<b>+0.6</b>	<b>+0.6</b>	<b>+0.6</b>	<b>+0.6</b>
Owner occupied dwellings	+0.2	+0.2	+0.2	+0.2
Other	+0.4	+0.4	+0.4	+0.4
<b>Public administration and defence; compulsory social security</b>	<b>+0.3</b>	<b>+0.4</b>	<b>+0.3</b>	<b>+0.2</b>
<b>Education</b>	<b>+0.3</b>	<b>+0.3</b>	<b>+0.2</b>	<b>+0.1</b>
<b>Health and social work</b>	<b>+0.2</b>	<b>+0.2</b>	<b>+0.3</b>	<b>+0.3</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>+0.3</b>	<b>+0.3</b>	<b>+0.3</b>	<b>+0.3</b>
<b>FISIM</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>
<b>Gross Domestic Product at basic prices</b>	<b>+4.8</b>	<b>+2.2</b>	<b>+5.0</b>	<b>+5.0</b>

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**Table 8 - Gross Domestic Product-sectoral deflators (% over previous year), 2004 - 2007**

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>+4.2</b>	<b>+5.3</b>	<b>+1.5</b>	<b>+3.8</b>
Sugarcane	+5.5	+9.1	-1.3	+3.0
Other	+2.8	+1.3	+4.4	+4.5
<b>Mining and quarrying</b>	<b>+3.0</b>	<b>+4.7</b>	<b>+5.5</b>	<b>+3.0</b>
<b>Manufacturing</b>	<b>+7.4</b>	<b>+6.7</b>	<b>+8.5</b>	<b>+4.9</b>
Sugar	+8.0	+9.1	-1.3	+3.0
EPZ products	+7.0	+5.1	+8.1	+5.0
Other	+7.7	+7.5	+9.6	+5.0
<b>Electricity, gas and water supply</b>	<b>0.0</b>	<b>-8.9</b>	<b>+2.5</b>	<b>-2.0</b>
<b>Construction</b>	<b>+6.3</b>	<b>+7.7</b>	<b>+6.6</b>	<b>+7.0</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motorcycles, personal and household goods</b>	<b>+6.0</b>	<b>+6.5</b>	<b>+7.8</b>	<b>+6.5</b>
Wholesale and retail trade	+6.0	+6.5	+7.8	+6.5
Repair of motor vehicles, motorcycles, personal and household goods	+6.6	+6.6	+7.0	+6.3
<b>Hotels and restaurants</b>	<b>+16.9</b>	<b>+4.1</b>	<b>+20.0</b>	<b>+5.0</b>
<b>Transport, storage and communications</b>	<b>-1.6</b>	<b>-3.5</b>	<b>+2.3</b>	<b>0.0</b>
<b>Financial intermediation</b>	<b>+3.2</b>	<b>+6.9</b>	<b>+5.1</b>	<b>+6.2</b>
Insurance	+6.8	+6.0	+5.0	+5.0
Banks	+2.1	+7.6	+5.7	+7.0
Other	+0.2	+5.7	+2.5	+5.0
<b>Real estate, renting and business activities</b>	<b>+5.7</b>	<b>+6.3</b>	<b>+7.8</b>	<b>+6.7</b>
Owner occupied dwellings	+6.3	+7.7	+6.6	+6.0
Other	+5.0	+5.0	+8.9	+7.4
<b>Public administration and defence; compulsory social security</b>	<b>+7.8</b>	<b>+2.9</b>	<b>+2.3</b>	<b>+3.5</b>
<b>Education</b>	<b>+6.1</b>	<b>+3.5</b>	<b>+4.2</b>	<b>+5.6</b>
<b>Health and social work</b>	<b>+7.5</b>	<b>+3.3</b>	<b>+4.3</b>	<b>+4.7</b>
<b>Other community, social and personal service activities and private households with employed persons</b>	<b>+3.5</b>	<b>+4.0</b>	<b>+5.0</b>	<b>+5.6</b>
<b>FISIM</b>	<b>+2.2</b>	<b>+7.2</b>	<b>+5.3</b>	<b>+5.0</b>
<b>Gross Domestic Product at basic prices</b>	<b>+5.7</b>	<b>+4.0</b>	<b>+6.7</b>	<b>+4.7</b>
<b>Taxes on products (net of subsidies)</b>	<b>+4.2</b>	<b>+5.8</b>	<b>+9.1</b>	<b>+2.5</b>
<b>Gross Domestic Product at market prices</b>	<b>+5.5</b>	<b>+4.2</b>	<b>+7.0</b>	<b>+4.4</b>

1/ Revised 2/ Forecast

Table 9 - Expenditure on Gross Domestic Product at current prices, 2004 - 2007

	(R Million)			
	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Final consumption expenditure</b>	<b>136,880</b>	<b>154,717</b>	<b>174,836</b>	<b>193,378</b>
Households	111,837	127,349	145,481	161,833
General government	25,043	27,368	29,355	31,545
<i>Individual</i>	(10,343)	(11,146)	(12,125)	(12,936)
<i>Collective</i>	(14,700)	(16,222)	(17,230)	(18,609)
<b>Gross domestic fixed capital formation</b>	<b>38,003</b>	<b>39,531</b>	<b>49,375</b>	<b>52,623</b>
Private sector	26,345	27,773	33,428	38,041
Public sector	11,658	11,758	15,947	14,582
<b>Increase in inventories <sup>3</sup></b>	<b>4,879</b>	<b>2,083</b>	<b>5,122</b>	<b>-176</b>
<b>Exports of goods &amp; services</b>	<b>94,859</b>	<b>110,940</b>	<b>127,252</b>	<b>141,548</b>
Goods ( f.o.b )	54,905	63,219	74,171	82,917
Services	39,954	47,721	53,081	58,631
<b>Less Imports of goods &amp; services</b>	<b>99,024</b>	<b>122,067</b>	<b>150,761</b>	<b>162,811</b>
Goods ( f.o.b )	70,911	86,734	108,665	119,558
Services	28,113	35,333	42,096	43,253
<b>Gross Domestic Product at market prices</b>	<b>175,597</b>	<b>185,204</b>	<b>205,824</b>	<b>224,562</b>

Table 10 - Expenditure on GDP-Growth rates (% over previous year), 2004 - 2007

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Final consumption expenditure</b>	<b>+7.2</b>	<b>+7.1</b>	<b>+5.5</b>	<b>+4.7</b>
Households	+7.8	+7.3	+5.9	+4.9
General government	+4.6	+6.1	+3.8	+3.5
<i>Individual</i>	+5.0	+4.8	+6.0	+3.4
<i>Collective</i>	+4.4	+7.0	+2.3	+3.6
<b>Gross domestic fixed capital formation</b>	<b>+2.2</b>	<b>-2.4</b>	<b>+18.2</b>	<b>+0.3</b>
Private sector	+16.3	-1.0	+13.6	+7.0
Public sector	-19.8	-5.4	+29.1	-13.7
<b>Exports of goods &amp; services</b>	<b>-0.3</b>	<b>+10.6</b>	<b>+8.5</b>	<b>+7.0</b>
Goods ( f.o.b )	-3.5	+8.9	+11.0	+7.5
Services	+4.3	+13.0	+5.2	+6.2
<b>Less Imports of goods &amp; services</b>	<b>+2.8</b>	<b>+6.4</b>	<b>+9.6</b>	<b>+2.9</b>
Goods ( f.o.b )	+3.9	+5.5	+11.2	+4.8
Services	+0.1	+8.4	+5.7	-2.1

1/ Revised 2/ Forecast

3/ includes all statistical discrepancies

Table 11 - National Disposable Income and its appropriation at current prices, 2004 - 2007

(R Million)

	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>Compensation of employees</b>	<b>64,378</b>	<b>68,843</b>	<b>74,512</b>	<b>80,579</b>
of which paid by General Government	16,660	17,826	18,819	20,036
<b>Taxes (net of subsidies) on production and imports</b>	<b>24,733</b>	<b>24,781</b>	<b>26,061</b>	<b>26,827</b>
Taxes on products <sup>3</sup>	23,785	24,060	25,255	25,797
Subsidies on products	(613)	(883)	(936)	(795)
Other taxes on production <sup>4</sup>	1,561	1,604	1,742	1,825
<b>Gross operating surplus</b>	<b>86,486</b>	<b>91,580</b>	<b>105,251</b>	<b>117,156</b>
<b>Gross Domestic Product at market prices</b>	<b>175,597</b>	<b>185,204</b>	<b>205,824</b>	<b>224,562</b>
<b>Net primary income from the rest of the world</b>	<b>-390</b>	<b>-239</b>	<b>+118</b>	<b>+1,682</b>
<b>Gross National Income at market prices (GNI)</b>	<b>175,207</b>	<b>184,965</b>	<b>205,942</b>	<b>226,244</b>
<b>Net transfer from the rest of the world</b>	<b>+1,374</b>	<b>+1,797</b>	<b>+2,264</b>	<b>+3,175</b>
<b>Gross National Disposable Income (GNDI)</b>	<b>176,581</b>	<b>186,762</b>	<b>208,206</b>	<b>229,419</b>
<b>Less: Final consumption expenditure</b>	<b>136,880</b>	<b>154,717</b>	<b>174,836</b>	<b>193,378</b>
Households	111,837	127,349	145,481	161,833
General Government	25,043	27,368	29,355	31,545
<b>Gross National Saving (GNS)</b>	<b>39,701</b>	<b>32,045</b>	<b>33,370</b>	<b>36,041</b>
<b>GNS as a % of GNDI</b>	<b>22.5</b>	<b>17.2</b>	<b>16.0</b>	<b>15.7</b>
<b>GNS as a % of GDP at market prices</b>	<b>22.6</b>	<b>17.3</b>	<b>16.2</b>	<b>16.0</b>

1/ Revised 2/ Forecast

3/ include excise duties, import duties and value added tax

4/ include road tax, municipal rates, trading licences, etc.

**Table 12 - Gross Domestic Fixed Capital Formation at current prices by type and use, 2004 - 2007**

	(R Million)			
	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>I - By type of capital goods</b>				
<b>A. Building &amp; construction work</b>	<b>23,042</b>	<b>23,289</b>	<b>25,994</b>	<b>30,676</b>
Residential building	7,911	7,628	8,872	10,270
Non-residential building	10,174	9,627	10,572	13,461
Other construction work	4,957	6,034	6,550	6,945
<b>B. Machinery and equipment</b>	<b>14,961</b>	<b>16,242</b>	<b>23,381</b>	<b>21,947</b>
Aircraft	219	120	5,675	2,925
Marine vessel	0	0	0	0
Passenger car	2,580	2,327	2,497	2,722
Other transport equipment	1,510	1,746	1,941	2,210
Other machinery and equipment	10,652	12,049	13,268	14,090
<b>Gross Domestic Fixed Capital Formation</b>	<b>38,003</b>	<b>39,531</b>	<b>49,375</b>	<b>52,623</b>
<b>II - By Industrial use</b>				
Agriculture, hunting, forestry and fishing	1,328	2,025	2,253	2,860
Mining and quarrying	2	0	1	1
Manufacturing	5,346	5,548	5,311	6,444
<i>of which EPZ</i>	(2,508)	(2,376)	(2,375)	(3,533)
Electricity, gas and water supply	1,783	2,750	2,457	2,033
Construction	744	699	953	1,311
Wholesale & retail trade and repairs	2,489	2,736	2,879	3,834
<i>of which Wholesale and retail trade</i>	(2,406)	(2,657)	(2,796)	(3,744)
Restaurants and hotels	5,185	4,193	6,609	8,260
Transport, storage and communications	4,067	4,542	10,796	8,537
Financial intermediation	945	1,336	1,545	781
Real estate, renting and business activities	10,005	9,509	10,476	11,735
<i>Owner occupied dwellings</i>	7,911	7,628	8,872	10,270
<i>Other</i>	2,094	1,881	1,604	1,465
Public administration and defence; compulsory social security	2,495	1,975	2,140	2,364
Education	1,167	1,326	956	1,081
Health and social work	693	543	591	795
Other community, social and personal service activities and private households with employed persons	1,754	2,349	2,408	2,587
<b>Gross Domestic Fixed Capital Formation</b>	<b>38,003</b>	<b>39,531</b>	<b>49,375</b>	<b>52,623</b>
<b>GDFCF as a % of GDP at market prices</b>	<b>21.6</b>	<b>21.3</b>	<b>24.0</b>	<b>23.4</b>

1/ Revised 2/ Forecast



**Table 13 - Gross Domestic Fixed Capital Formation - Annual real growth rates (%) by type and use, 2004 - 2007**

	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>I - By type of capital goods</b>				
<b>A. Building &amp; construction work</b>	<b>-0.3</b>	<b>-6.2</b>	<b>+4.7</b>	<b>+10.3</b>
Residential building	-2.3	-10.5	+9.1	+8.2
Non-residential building	+20.1	-12.1	+3.0	+19.0
Other construction work	-24.2	+13.0	+1.8	-0.9
<b>B. Machinery and equipment</b>	<b>+6.2</b>	<b>+3.4</b>	<b>+37.5</b>	<b>-10.8</b>
<i>Machinery and equipment (excluding aircraft &amp; marine vessel)</i>	+13.4	+4.2	+4.4	+1.9
Passenger car	+39.5	-14.1	+4.2	+4.8
Other transport equipment	-40.3	+2.8	+296.2	-35.2
<i>Other transport equipment (excluding aircraft &amp; marine vessel)</i>	-16.3	+10.1	+7.9	+9.5
Other machinery and equipment	+14.0	+7.7	+3.9	+0.2
<b>Gross Domestic Fixed Capital Formation</b>	<b>+2.2</b>	<b>-2.4</b>	<b>+18.2</b>	<b>+0.3</b>
<b>GDFCF (excluding aircraft &amp; marine vessel)</b>	<b>+4.8</b>	<b>-2.1</b>	<b>+4.6</b>	<b>+6.9</b>
<b>II - By Industrial use</b>				
Agriculture, hunting, forestry and fishing	+33.8	+42.9	+4.9	+19.1
Mining and quarrying	+150.8	-100.0	-	-23.6
Manufacturing	+26.5	-1.8	-9.5	+14.4
<i>of which EPZ</i>	+71.6	-10.5	-5.6	+39.9
Electricity , gas and water supply	-4.8	+45.8	-15.8	-22.1
Construction	+19.5	-10.6	+29.5	+30.0
Wholesale & retail trade and repairs	-3.7	+3.4	0.0	+25.6
<i>of which Wholesale and retail trade</i>	-4.3	+3.9	0.0	+26.3
Restaurants and hotels	+52.2	-24.5	+48.0	+17.0
Transport , storage and communications	-30.3	+5.6	+128.1	-24.8
Financial intermediation	+15.8	+32.8	+9.2	-52.1
Real estate , renting and business activities	+0.6	-11.5	+3.6	+4.9
<i>Owner occupied dwellings</i>	-2.3	-10.5	+9.1	+8.2
<i>Other</i>	+13.2	-15.5	-18.8	-13.4
Public administration and defence; compulsory social security	+9.5	-26.0	+2.1	+3.8
Education	-10.6	+6.1	-32.3	+6.2
Health and social work	+15.2	-25.9	+2.6	+26.5
Other community, social and personal service activities and private households with employed persons	-34.6	+25.2	-3.5	+0.9
<b>Gross Domestic Fixed Capital Formation</b>	<b>+2.2</b>	<b>-2.4</b>	<b>+18.2</b>	<b>+0.3</b>

1/ Revised 2/ Forecast

**Table 14 - Gross Domestic Fixed Capital Formation - Deflators (% over previous year), 2004 - 2007**

	2004	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>2</sup>
<b>By type of capital goods</b>				
<b>A. Building &amp; construction work</b>	<b>+6.3</b>	<b>+7.7</b>	<b>+6.6</b>	<b>+7.0</b>
Residential building	+6.3	+7.7	+6.6	+7.0
Non-residential building	+6.3	+7.7	+6.6	+7.0
Other construction work	+6.3	+7.7	+6.6	+7.0
<b>B. Machinery and equipment</b>	<b>+2.0</b>	<b>+5.0</b>	<b>+4.7</b>	<b>+5.3</b>
Passenger car	+2.0	+5.0	+3.0	+4.0
Other transport equipment	+2.0	+5.0	+3.0	+4.0
Other machinery and equipment	+2.0	+5.0	+6.0	+6.0
<b>Gross Domestic Fixed Capital Formation</b>	<b>+4.6</b>	<b>+6.6</b>	<b>+5.7</b>	<b>+6.3</b>

1/ Revised 2/ Forecast